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ABSTRACT

A study was conducted to determine the effects of Job Training Partnership Act (JTPA) approved training on the income and job satisfaction of its graduates. It was designed to determine whether participants in approved training programs did go on to careers that were monetarily and psychologically more rewarding. A group of 28 persons (14 males and 14 females) who completed approved training programs while collecting unemployment insurance were interviewed. Only half of the respondents reported higher starting pay compared to their previous jobs. Because employers tended to place more emphasis on experience than education when fixing salary rates, the finding that 50 percent increased starting wages was gratifying. When this finding was combined with the overwhelmingly positive response to the question regarding anticipation of higher future earnings, it was concluded that the approved training program was economically beneficial over time to its graduates. Seventy-one percent of respondents reported an increase in satisfaction with their new careers. Three quarters of those who reported no increase in satisfaction believed that over time their satisfaction level would be higher in their new careers. Suggestions for future study included a study of graduates with 5 or more years of experience in new careers and comparison of their wages with those with 5 years' experience in the graduates' former fields. (YLB)

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THE EFFECTS OF J. T. P. A. APPROVED TRAINING ON EARNINGS AND JOB SATISFACTION

By

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THE EFFECTS OF J.T.P.A. APPROVED TRAINING ON EARNINGS AND JOB SATISFACTION

INTRODUCTION

Employee training and retraining will be a critical human resource issue for American business in the 1990s. The onslaught of advanced technology coupled with a growing shortage in the number of available workers means that many businesses will have to train or retrain their current employees in order to keep their workforce at optimum levels. (3)

Long before Pilenzo made this statement, the federal government recognized the need to train and retrain Americans that lacked job skills. Furthermore, the government recognized the fact that employers alone did not possess the resources to do the training on their own. Even major corporations had to rely on private consultants, public and private colleges, universities, and trade schools to provide training for incumbent and potential employees. To help provide the training for those requiring it, the government passed the Job Training Partnership Act (JTPA).

JTPA was signed into law by President Ronald Reagan on October 13, 1982, (P. L. No. 97-300) and became operable on October 1, 1983. The purpose of the act, according to the Labor Department, is to help the economically disadvantaged train for work and to provide more money than before for actual skills instruction. Under JTPA, 70 cents out of every dollar is targeted to go directly into training versus only 18 cents per dollar under JTPA's predecessor, the Comprehensive Employment and Training Act (CETA). At least 90 percent must go to the economically disadvantaged, and the other 10 percent may

go to the handicapped, ex-convicts, displaced homemakers, older workers, and teenage parents.

One provision of JTPA enables unemployed persons to attend a full-time training program, often with their tuition paid by JTPA, and to collect unemployment insurance (UI) benefits at the same time. The uniqueness of this provision (known as "approved training") lies in the fact that normally full-time students are ineligible to receive UI because they are unavailable for full-time work--a standard requirement of UI programs.

To qualify for approved training, the person must be unemployed through no fault of his or her own and be eligible for UI. In addition, a JTPA worker must determine that the person's likelihood of becoming re-employed will be enhanced by receiving training, and normally the person must be willing to change careers. For example, a laid-off waitress may be one semester short of receiving a degree in elementary education. If the JTPA worker determines that the person's prospects of becoming permanently re-employed will be greater as a teacher than as a waitress; and if the person is willing to leave waitressing and become a teacher, she may be granted approved-training status, which will enable her to attend full-time day classes toward her teaching degree while simultaneously collecting full UI benefits.

PURPOSE OF THIS STUDY

The purpose of this study is to determine the effects that JTPA approved training has on the income and job satisfaction of

its graduates. In other words, the study was designed to see if persons that participate in approved training programs do go on to careers that are monetarily and psychologically more rewarding.

RESEARCH METHOD

To test the hypothesis that recipients of JTPA approved training acquire new jobs that are higher paying and more satisfying, 28* persons (14 males and 14 females) that completed approved-training programs while collecting UI were interviewed. They were asked the following questions:

1. Was the starting salary in your new job higher than your ending salary in the job that immediately preceded your training?

2. If the answer to question number 1 was "No," do you anticipate that future earnings in your new career will be higher than in your previous career?

3. Are you more satisfied in your new career than in your previous one?

4. If the answer to question number 3 was "No," do you anticipate that your new career will be more satisfying than your previous one once you gain experience?

FINDINGS

Exactly half of the respondents answered yes to question one. Of the fourteen who answered no, however, all but two answered yes to question number two. (Of the 14 negative

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*A total of 32 former trainees were contacted. Four were eliminated from the study because they returned to their former careers after completing their approved training.

responses, three reported that the starting wage on their new jobs was itentical to the final wage on their last job. Eight respondents answered no to question three. Six out of those eight, however, answered yes to question four. Interestingly, the same two persons who answered no to question number two answered no also to question four.

CONCLUSIONS

Although only half of the respondents reported higher starting pay compared to their previous jobs, this finding was not disturbing. It is well known among job placement counselors that employers tend to place more emphasis on experience than on education when fixing salary rates. Since the 28 respondents had changed into careers in which they had little or no on-the-job experience, the finding that 50 percent of the former trainees actually increased their wages at the very start of their new careers was quite gratifying. When this finding is combined with the overwhelmingly positive response to question two, it can be concluded that the approved-training program is economically beneficial over time to its graduates.

With respect to satisfaction, the findings were equally gratifying. Seventy-one percent of the respondents reported an increase in on-the-job satisfaction with their new careers, and three quarters of those who reported no increase in satisfaction believed that over time their satisfaction level would be higher in their new careers. It can, therefore, be concluded that the approved-training program enhances the satisfaction levels of

its graduates.

SUGGESTIONS FOR FURTHER STUDY

Of the 28 interviewees, none had been employed in their new careers for more than two years. Therefore, it would be extremely interesting to study approved-training graduates with five or more years experience in their new careers to see how satisfied they are with their wages and jobs. In addition to measuring satisfaction with wages and jobs, it would be enlightening to compare the average wage rates for persons with five-years experience in the graduates' new careers to persons with five-years experience in the fields that the graduates left. Such a study would indicate the longer-run economic and psychological effects of JTPA approved-training programs.

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